



STATE OF ARIZONA
Department of Health Services
NOTICE OF REQUEST FOR PROPOSALS

**ARIZONA DEPARTMENT OF
HEALTH SERVICES**
1740 W. Adams Street, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

SOLICITATION NUMBER:

SOLICITATION NUMBER: HP854041

SOLICITATION DUE DATE/TIME:

September 18, 2007, 3:00 P.M., MST

SUBMITTAL LOCATION:

**Arizona Department of Health Services
Office of Procurement
1740 West Adams Street, Room 303
Phoenix, Arizona 85007**

DESCRIPTION:

Nicotine Replacement Therapy Distribution Services

PRE-OFFER CONFERENCE:

Tuesday, September 4, 2007

Date

10:00am

Time

1740 W. Adams Street, Room 411A

Location

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services at the above specified location, until the time and date cited. Offers received by the correct time and date will be opened and the name of each Offeror will be publicly read. To obtain a copy or review the solicitation, log onto www.azdhs.gov and click on the Quick Links Procurement site. If obtaining a copy via the internet, please check periodically for any updates to the above solicitation.

Offers must be in the actual possession of the Arizona Department of Health Services on or prior to the time and date, and at the location indicated above. Late offers will not be considered.

Offers must be submitted in a sealed envelope or package with the Solicitation number and the Offeror's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this solicitation.

With 72 hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation Contact Person named below.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION

Solicitation Contact Person:

Elizabeth Casteel

Arizona Department of Health Services

(602) 542-2934

casteee@azdhs.gov

Procurement Administrator

Date

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OFFER AND ACCEPTANCE

Solicitation Number: HP854041

ARIZONA DEPARTMENT OF
HEALTH SERVICES
1740 W. Adams, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

Submit this form with an original signature to the:

Arizona Department of Health Services
Office of Procurement
1740 West Adams, Room 303
Phoenix, Arizona 85007

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

Arizona Transaction (Sales) Privilege Tax License No:

For Clarification of this Offer, Contact:

Name _____

Federal Employer Identification No:

Telephone:

FAX: _____

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City, State, ZIP Code

Title

OFFER ACCEPTANCE AND CONTRACT AWARD (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number:

HP854041

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this _____ day of _____, 2007

PROCUREMENT OFFICER

UNIFORM INSTRUCTIONS TO OFFERORS

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A. Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments, and any terms applied by law.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified.
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Offer"* means bid, proposal or quotation.
8. *"Offeror"* means a vendor who responds to a Solicitation.
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

B. Inquiries

1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.

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4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids, unless the solicitation indicated otherwise.
2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - i. Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - ii. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
5. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.

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- 7 Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed (or acknowledgement for electronic submission, when authorized) copy of a Solicitation Amendment may result in rejection of the Offer.
- 8 Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 9 Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
- 9.1 Employee Identification. Offeror agrees to provide an employee identification number or social security number to the State for the purposes of reporting to appropriate taxing authorities, monies paid by the State under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate State and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
10. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be identified as a separate item offered in the solicitation when applicable, the tax rate and amount shall be identified on the price sheet. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
11. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, State or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
12. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 12.1 Special Terms and Conditions;
 - 12.2 Uniform Terms and Conditions;
 - 12.3 Statement or Scope of Work;
 - 12.4 Specifications;
 - 12.5 Attachments;
 - 12.6 Exhibits;
 - 12.7 Special Instructions to Offerors;
 - 12.8 Uniform Instructions to Offerors.
 - 12.9 Other documents referenced or included in the Solicitation.
- 13 Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

- 1 Sealed Envelope or Package. Except for electronic submissions, when authorized, each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
- 2 Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and

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time except as otherwise provided under applicable law.

- 3 Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.

- 4 Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:

i. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and

ii. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount: Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. A Offeror (including any of its' principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
5. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
6. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
- 6.1 Waive any minor informality;
- 6.2 Reject any and all Offers or portions thereof; or
- 6.3 Cancel the Solicitation.

F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
2. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

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- 3 Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

1. A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
- 1.1 The name, address and telephone number of the protester;
 - 1.2 The signature of the protester or its representative;
 - 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
 - 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - 1.5 The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

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I. PRE-OFFER CONFERENCE

Prospective Offerors are invited to attend a Pre-Offer Conference. The date, time and location of this conference are indicated on page 1 of this solicitation. The purpose of this conference will be to clarify the contents of this request for proposals in order to prevent any misunderstanding of the Department's position. Any doubt as to the requirements of this request for proposals or any apparent omission or discrepancy should be presented to the Department at this conference. The Department will then determine the appropriate action necessary, if any, and may issue a written amendment to the request for proposals. Oral statements or instructions shall not constitute an amendment to this request for proposals.

Those who are planning to attend the pre-offer conference should RSVP to Elizabeth Casteel by email or phone at 602-542-2934 no later than August 31, 2007. It is strongly suggested that the Offerors attend the Pre-Offer Conference.

II. PROPOSAL FORMAT

One (1) original and three (3) copies of each proposal shall be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "ORIGINAL". The Department will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. Proposals shall have an index, and tabs for each section. The original, ink signed proposal and each one of the three copies need to be organized in a 1 inch, 3 ring binder, with tabs for each section as indicated below:

- A. Table of Contents
- B. Signed Offer and Acceptance Form signed by authorized person
- C. Scope of Work
- D. Executive Summary
- E. Overview of the Organization
- F. Comprehensive Plan
- G. Attachment I - References
- H. Notices
- I. Price Sheet
- J. Other Attachments
- K. Attachment II - Offeror's Checklist
- L. Copy of Uniform Terms and Conditions (One set only – included in Original)
- M. Copy of Special Terms and Conditions (One set only – included in Original)

III. INFORMATION REQUESTED

- A. **Executive Summary: Not to exceed 3 pages.** The Summary shall address the following items, including but not limited to:
 - 1. Summary of the Offeror's experience and expertise regarding the services requested,
 - 2. Company history, location, number of years in business as well as types of services provided,
 - 3. Number of full- and part-time employees, and number of clients for the last two (2) years. Offerors must have the necessary staff resources and facilities to provide the services as described below. (Not to exceed 3 pages).
- B. **Overview of the Organization:**
 - 1. The Offeror shall submit an Overview of the Organization and its operations and provide any additional background information that may be helpful in evaluating its background, history, resources, or track record.

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2. Offerors shall demonstrate, in written narrative, their experience as a provider of NRT products to individuals attempting to quit tobacco and their ability to integrate the ADHS-TEPP services and requirements, as indicated in this document, into their existing demand for/provision of NRT products on a statewide basis.

This section shall also include a written description of currently provided NRT products; average number of requests filled daily, monthly, and during the most recent fiscal year; a description of current work flow, including each confirmation of delivery, and other support processes; the level of dispensing automation in use; shipment schedule and procedure; name of contacted delivery and over-night carrier(s) and turnaround time from receipt of order to client's receipt of the product.

C. **Comprehensive Plan:**

The Scope of Work defines the services the Contractor shall provide. Based on the parameters outlined in the Scope, Offerors are requested to submit a comprehensive plan to provide NRT to clients through a fixed price, mail distribution system. The plan shall include, at a minimum, the following items:

1. **Staff.**

The Offeror shall describe in written narrative the organization's ability to perform services as reflected by availability and suitability of staff resources. Included in this request, the Offeror shall submit an Organizational Chart and provide resumes of its key persons responsible for the delivery of the services. This section shall include a curriculum vitae (CV) for the Program Manager that details their training and experience as a provider of mail distribution services; specifically, the delivery of NRT products.

Additionally, Offerors shall detail the number of customer service representatives, including the number of bilingual representatives, available to assist ADHS-TEPP funded staff and clients. The hours of availability of each type of staff member, as well as information detailing the provision of a contact line (i.e. toll-free hot line) shall also be specified. Offerors shall indicate their ability to handle seasonal and/or other variations in the demand for services; namely their capacity to handle increased client volume.

2. **Technical Assistance Protocol.**

The Offeror shall include a description to specify how the organization can ensure that adequate staff are trained to provide coverage during staff transition times, such as when key staff members are on leave.

The Offeror shall describe the organization's ability to provide technical support to program staff and clients.

3. **Client Confidentiality.**

The Offeror shall describe the organization's ability and experience in assuring client confidentiality. In doing so, the Offeror shall disclose any violations of client confidentiality and/or security breaches the organization has experienced within the past five (5) years. Additionally, the Offeror shall describe how the organization protects client information from being used for commercial purposes.

4. **Product Delivery Process.**

The Offeror shall describe the organization's mail delivery process. The following information shall be included:

- a. The Offeror's preferred mail carrier
- b. The Offeror's ability to track products mailed either directly to the client or the program site

SPECIAL INSTRUCTIONS TO OFFERORS

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- c. The estimated product delivery time from the point of request to arrival
- d. The Offeror's delivery confirmation policy
- e. The Offeror's return policy for lost, damaged, or incorrect NRT products

5. Data and Evaluation Coordination.

The Offeror shall provide the following information:

- a. An implementation schedule that includes dates and accomplishments in order to be ready to provide NRT products on the designated implementation date.
- b. A qualitative description of the organization's data system. The following components shall be included among the systemic details:
 - i. How do authorized individuals gain access to the system?
 - ii. What is the process involved with entering client information and processing product requests?
 - iii. Does the Offeror have an integrated system that can be accessed by county, grassroots, and tribal programs in addition to the Quitline?
 - iv. How does the Offeror ensure that clients are not utilizing the NRT benefit from multiple sources (i.e. requesting product from the county, grassroots, and tribal programs as well as the Quitline)?
 - v. How long does a client remain active in the system?
 - vi. Can the Offeror's system allow an individual to switch from receiving the NRT benefit from a county, grassroots, or tribal program to the Quitline or vice versa without interrupting service provision?
- c. A sample of the organization's cost sheet. This sheet shall capture sufficient information in order for ADHS-TEPP to provide reimbursement for services rendered. Invoices must include all fees and costs incurred on a monthly basis.
- d. Description of how the organization has coordinated with other program evaluation units to satisfy evaluation requirements.
- e. A sample data set regarding this section of the Scope of Work. Include all additional formats (if available) in which data can be provided. A detailed format will be coordinated with ADHS-TEPP.

D. References

Complete Attachment I.

E. Notices

Complete Scope of Work, Page 32, Notices.

F. Price Sheet

Complete Pages 34-35, Price Sheet.

G. Other Attachments

H. The Offeror's Checklist

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IV. PROPOSAL OPENING

Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Offeror shall be read publicly and recorded. Prices will NOT be read. Proposals will not be subject to public inspection until after contract award.

4. EVALUATION CRITERIA

In accordance with the A.R.S. § 41-2534, competitive sealed proposals, awards shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the Department based upon the evaluation criteria listed below. The evaluation factors are listed in the relative order of importance.

- A. Methodology for provision of the services described in Scope of Work.
- B. Experience/Expertise/Reliability
- C. Technical Qualifications
- D. Facilities Business and Resources
- E. Conformance to all other RFP Requirements and Conditions.
- F. Cost.

5. PRICING

Offerors must propose a **fixed unit** price per prescription that includes any start-up costs. ADHS will not pay separate start-up costs. The cost and availability of all labor, equipment, materials, supplies, postage, associated with performing the services described herein must have been determined and must be included and specified in the proposed cost per prescription. Sufficient information must be provided to enable the proposed cost per prescription to be fully understood and evaluated.

6. ESTIMATED QUANTITIES

The quantities shown are estimates only and the State reserves the right to increase or decrease the amounts as circumstances may require.

7. CATALOG/PRICE LIST DISCOUNTS

The Offeror is to offer prices based on a percent off of a referenced price list or catalog. A copy of the referenced price list and the applicable catalog(s), or web addresses thereof, shall be enclosed with the offer. Failure to include either the price list/catalog or the web address may be grounds for determining the offer as nonresponsive.

8. DISCUSSIONS

In accordance with A.R.S. §41-2534, after the initial receipt of proposals, the Department reserves the option to conduct discussions with those Offerors who submit proposals determined by the Department to be reasonably susceptible of being selected for award regarding the contract and the relative methods of approach for furnishing the required services.

9. NON-EXCLUSIVE CONTRACT

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Approval shall be granted only after a proper review and when deemed to be appropriate. Off-contract procurement shall be consistent with the Arizona

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procurement code.

10. MULTIPLE AWARDS

It is the State's intent to award to one Contractor for all items needed. However, in order to assure that any ensuing contracts will allow the State to fulfill current and future requirements, the State reserves the right to award contracts to multiple Offerors. The actual utilization of any contract will be at the sole discretion of the state. Each potential Contractor should take the fact that the State may make multiple awards into consideration.

11. SUSPENSION OR DEBARMENT CERTIFICATION

By signing the Offer section of the Offer and Acceptance page, SPO form 203, the Offeror certifies that the firm, business or person submitting the Offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, State or local government. Signing the Offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the Offer or cancellation of a contract. The State also may exercise any other remedy available by law.

12. CONFIDENTIAL INFORMATION

- a. If an Offeror believes that a Proposal, Offer, specification, or protest contains information that should be withheld, a statement advising the Procurement Officer of this fact shall accompany the submission and the information shall be so identified wherever it appears.
- b. The information identified by the Offeror as confidential shall not be disclosed until the Director makes a written determination.
- c. The Director shall review the statement and information and shall determine in writing whether the information shall be withheld.
- d. If the Director determines to disclose the information, the Director shall inform the bidder in writing of such determination.

10. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to the security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the Proposal.

11. PROPOSAL EXCEPTIONS

Any Proposal that takes exception to any of the clauses within the Uniform Terms and Conditions or the Special Terms and Conditions, will not be considered for evaluation or award.

12. WRITTEN QUESTIONS

All questions regarding this solicitation shall be submitted in writing no later than ten (10) calendar days prior to the RFP due date to:

Arizona Department of Health Services
Elizabeth Casteel, Procurement Specialist

SPECIAL INSTRUCTIONS TO OFFERORS

SOLICITATION NUMBER: HP854041

1740 W. Adams, Room 303
Phoenix, AZ 85007
Email Address: casteee@azdhs.gov

UNIFORM TERMS AND CONDITIONS

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1. **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
 - 1.1 *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
 - 1.2 *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
 - 1.3 *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - 1.4 *"Contractor"* means any person who has a Contract with the State.
 - 1.5 *"Days"* means calendar days unless otherwise specified.
 - 1.6 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - 1.7 *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.8 *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
 - 1.9 *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
 - 1.10 *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
 - 1.11 *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - 1.12 *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.
 - 1.13 *"State Fiscal Year"* means the period beginning with July 1 and ending June 30,

2 Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;

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- 2.3.5 Attachments;
- 2.3.6 Exhibits;
- 2.3.7 Documents referenced or included in the Solicitation.

2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not

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use or release these materials without the prior written consent of the State.

3.8 Ownership of Intellectual Property

Any and all intellectual property, including but not limited to copyright, invention, trademark, tradename, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4 **Costs and Payments**

4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3 Applicable Taxes.

4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1 Accept a decrease in price offered by the contractor;

4.5.2 Cancel the Contract

4.5.3 Cancel the contract and re-solicit the requirements.

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5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 2.
- 6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.
- 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4 Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other

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similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Year 2000.

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- 7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.7 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.7.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension

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expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 Termination for Default.
- 9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in

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performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

- 9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 10 **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
- 11 **Arbitration**
- The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).
12. **Comments Welcome** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona 85007.

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1. PURPOSE

Pursuant to provisions of the Arizona Procurement Code, A.R.S. ' 41-2501 Et Seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a contract for the materials or services as listed herein.

2. TERM OF CONTRACT

The term of the resultant contract shall commence on November 16, 2007 and shall remain in effect for one year unless terminated, canceled, or extended as otherwise provided herein.

3. CONTRACT EXTENSIONS 5 YEAR MAXIMUM

The contract term is for a one (1) year period subject to additional successive periods of up to twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years.

4. CONTRACT TYPE

The contract shall be fixed price.

5. OTHER CONTRACTS

ADHS may undertake or award other contracts for additional or related work and the contractor shall fully cooperate with such other contractors and state employees and carefully fit his/her own work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by state employees. The agency shall equitably enforce this section as to all contractors, to prevent the imposition of unreasonable burdens on any contractor.

6. LICENSES

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

7. CONFIDENTIALITY OF RECORDS

The contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to the State. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the State.

8. FINANCIAL MANAGEMENT

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the Department when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these contract services shall be accounted for in a separate fund.

State Funding. Contractors receiving state funds under this contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.

Funding Cap Changes. The State shall use a Purchase Order and/or Change Order to make changes that increase and/or decrease federal Funding Caps. For purposes of this paragraph, a "Funding Cap" is defined as the total amount of money allowed by the federal funds.

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9. PRICE ADJUSTMENTS

The State may review a fully documented request for a price increase only after the contract has been in effect for one (1) year. A price increase adjustment shall only be considered at the time of a contract extension and shall be a factor in the extension review process. The Department of Health Services, procurement office shall determine whether the requested price increase or an alternate option is in the best interest of the state.

Written notification by the contractor is required sixty (60) days prior to contract renewal. The price increase adjustment, if approved, will be effective upon the effective date of the contract extension.

A Price Reduction Adjustment must be offered at anytime to the State upon manufacturer price decrease and shall become effective upon notice.

13. ESTIMATED QUANTITIES

The quantities shown are estimates only and the State reserves the right to increase or decrease the amounts as circumstances may require.

10. PRODUCT/PACKAGING DISCONTINUANCE

The State may award contracts for particular products as a result of this solicitation. In the event that a product is discontinued by the manufacturer or packaging changes are implemented that alter the number of doses available per purchase, the State at its sole discretion, may allow the Contractor to provide a substitute for the discontinued or altered item. The Contractor shall request permission to substitute a new product or packaging and provide the following:

- a. A formal announcement from the manufacturer that the product or packaging has been discontinued.
- b. Documentation from the manufacturer that names the replacement product or packaging.
- c. Documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation.
- d. Documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or packaging.
- e. Documentation confirming that the price for the replacement is the same as or less than the discontinued product or packaging.

11. INDEMNIFICATION CLAUSE

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

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This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

12. INSURANCE

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Blanket Contractual Liability – Written and Oral \$ 500,000
- Fire Legal Liability \$ 25,000
- Each Occurrence \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, Department of Health Services, shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***

b. Policy shall contain a waiver of subrogation against the State of Arizona, Department of Health for losses arising from work performed by or on behalf of the Contractor.

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.***

3. Worker's Compensation and Employers' Liability

Workers' Compensation Statutory
Employers' Liability

Each Accident \$ 100,000
Disease – Each Employee \$ 100,000

SPECIAL TERMS AND CONDITIONS

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Disease – Policy Limit

\$ 100,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, Department of Health Services wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **(State of Arizona Department of Health Services, Office of Procurement, 1740 West Adams, Room 303, Phoenix, AZ 85007)** and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **(State of Arizona Department of Health Services, Office of Procurement, 1740 West Adams, Room 303, Phoenix, AZ 85007)**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

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- G. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

13. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

14. FEDERAL IMMIGRATION AND NATIONALITY ACT

By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV

The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS Privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has

SPECIAL TERMS AND CONDITIONS

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been approved by the ADHS HIPAA Compliance Officer.

16. CLIENT CONFIDENTIALITY

In addition to compliance with the U.S. Department of Health and Human Services Privacy Rule of disclosure of individuals health information according to the health Insurance Portability and Accountability Act of 1996 (HIPAA), records must be used, maintained and disclosed in compliance with the Arizona medical record statute (ARS 12-2291 et seq). In the event of a breach of client information, Contractor shall notify ADHS immediately.

All data transferred between the Contractor and the ADHS-TEPP funded Evaluation Contractor must be secure and client confidentiality maintained. Any electronic communications shall meet with statewide guidelines of the State of Arizona Government Information Technology Agency (GITA). The use of client information for commercial purposes is strictly prohibited.

17. AUTHORIZATION FOR PROVISION OF SERVICES

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount of the Purchase Order. No further obligation shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this contract.

<p style="text-align: center;">SCOPE OF SERVICES SOLICITATION NUMBER: HP854041</p>
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I. Purpose

The Arizona Department of Health Services Tobacco Education and Prevention Program (ADHS-TEPP) requests proposals from mail distribution vendors to develop and coordinate a statewide benefit system to provide and deliver nicotine replacement therapy (NRT) to clients who wish to quit using tobacco. The system will link with various entities that provide cessation services including ADHS-TEPP county, grass-roots, and tribal projects, the State's Quitline, healthcare delivery systems, and health and human service professionals/paraprofessionals and community health lay workers within the State of Arizona. The Offeror must demonstrate the capacity to act as an ordering/packaging/dispensing/shipping agent of specified NRT products to assist with ADHS-TEPP tobacco cessation efforts.

II. Background

As a result of the passage of the Tobacco Tax and Health Care Initiative in 1995, the Arizona Legislature authorized ADHS to develop community tobacco prevention and cessation programs. Funded through Arizona's state sales tax on tobacco products, Tobacco Education and Prevention Program (TEPP) was established to respond to the mandate. Since then, ADHS-TEPP has developed a comprehensive tobacco control program that seeks to combat tobacco use by:

- preventing the initiation of tobacco use among young people;
- promoting quitting among young people and adults;
- eliminating nonsmokers' exposure to Secondhand Smoke;
- identifying and eliminating the disparities related to tobacco use and its effects among different population groups.

Statistical analysis indicates that tobacco is the leading preventable cause of death and disease among adults in the United States, resulting in approximately 440,000 deaths each year and costing nearly \$157 billion in annual health-related economic losses (n1). According to 2004 state tobacco statistics issued by the Centers for Disease Control and Prevention, tobacco use within Arizona attributed to over \$1.2 billion in medical expenses; of which, \$3.1 million represented direct Medicaid costs (n2). In total, nearly \$1.5 billion in lost productivity costs were incurred (n2). Socio-economic considerations indicate that tobacco use is more common among unemployed adults aged 18 or older than among adults working full time or part time (43.8 vs. 28.3 and 25.2 percent, respectively) (n3).

National statistics are in line with tobacco use trends exhibited within Arizona. According to the Arizona Adult Tobacco Survey (ATS) conducted in 2005, nearly one in five adult residents currently use tobacco. The prevalence rate of 19 percent (838,000 residents) demonstrates a decline from the 1996 rate of 24 percent; however, prevalence rates still remain high for young males 18 to 34 years old (30 percent) and for those with less than a high school education (25 percent) (n4).

ADHS-TEPP has developed an evidence-based tobacco control program that provides Arizona residents with the tools necessary to effectively support quitting tobacco. To date, ADHS-TEPP recognizes *Clinical Practice Guidelines* as its benchmark to facilitate cessation services. Such Guidelines state that NRT, in conjunction with behavioral modification counseling, has been proven to be more effective than either treatment classes or medication alone (n5). Thus far, the State has responded positively. ATS data revealed that in 2005, 46 percent of current tobacco users made a quit attempt in the past year; up from 43 percent in 2002 (n4). In addition, nearly 61 percent of current tobacco users reported that they were seriously considering stopping smoking within the next six months, and 21 percent reported planning to stop in the next 30 days. In fact, of those who made a quit attempt or quit permanently, 32 percent used some type of pharmaceutical or non-pharmaceutical assistance (n4).

The desired ADHS-TEPP NRT delivery system will enable all Arizona residents over eighteen years of age and who have no medical contraindications to receive free FDA-approved NRT products while concurrently enrolled in a tobacco dependence cessation class and/or the Quitline. Should new NRT products become available, cost and potential client demand will be considered to assess the feasibility of offering the product at no cost or discounted rates.

SCOPE OF SERVICES

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The system will include 1) a network that will provide FDA-approved NRT products for tobacco dependence treatment; 2) technical support; 3) a database system suitable for tracking client and product information; and 4) monthly reports.

The system shall ensure access to services, including referral to interpreter resources, with minimum inconvenience to interested non-English speaking participants (predominantly Spanish). The system shall include other organizations serving the focus population, such as local clinics and other sources of health care, and assure local access to NRT throughout the state, while allowing for coordination with the ADHS-TEPP and its cessation contractors.

III. Objective

The Contractor shall provide the following:

- A. **Distribute NRT products to qualified clients enrolled in ADHS-TEPP funded programs:** From award of the contract, assume distribution of NRT products for approximately 5,000 recipients identified by ADHS-TEPP, including the number of proposed NRT product recipients at each of the county, grassroots, and tribal project locations as well as the Quitline. The number of NRT recipients is expected to increase over time.
- B. **Establish a pricing system for specified NRT products:** Initiate and/or develop a pricing system which includes a schedule of costs per unit to provide FDA-approved NRT products to Arizona residents who wish to quit using tobacco and are enrolled in ADHS-TEPP funded tobacco cessation dependence treatment counseling. Such units include, but are not limited to:
1. Nicotine Patch: seven (7) mg
 2. Nicotine Patch: fourteen (14) mg
 3. Nicotine Patch: twenty-one (21) mg
 4. Gum: four (4) mg
 5. Gum: two (2) mg
 6. Lozenge: two (2) mg
 7. Lozenge: four (4) mg
 8. Bupropion: 150 mg
 9. Varenicline: .5 mg and 1 mg

Based on previous yearly utilization rates, ADHS-TEPP anticipates that clients will use approximately:

Product	Unit*
Patch (7, 14, and 21 mg)	4,000
Varenicline (.5 and 1.0 mg)	3,200
Lozenge (2 and 4 mg)	1,800
Gum (2 and 4 mg)	600
Bupropion	100

* **Note:** Unit numbers are based on approximate annual distribution data. The figures have been adjusted to account for the introduction of Varenicline and reflect the anticipated utilization rate for this product.

The Contractor will be expected to provide an updated and current product list to ADHS-TEPP and its Contractors upon request. The list must contain all available NRT product and applicable dosage options, complete with price and delivery fees.

- C. **Support the distribution of NRT products according to the specified delivery schedule:** Guarantee administration of the dispensed products (both over-the-counter and prescription products) by a distribution vendor legally authorized to dispense NRT products according to the schedule outlined below. The product will be dispensed to clients for the duration of the products' recommended dosing schedule (up to twelve (12) weeks of total NRT benefit). NRT distribution will adhere to the following schedule:

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Recipients will receive an initial two (2)-week supply of the NRT product, followed by an additional four week supply (pending continued enrollment in a county, grassroots, or tribal program and/or the Quitline). If the client remains in service, a bi-weekly supply of the product will continue until the client has completed the recommended product dosing schedule (up to twelve (12) weeks of total NRT benefit). *

*Note: Due to packaging considerations, Varenicline will follow a four week delivery schedule. Clients shall receive up to three shipments of the product over the course of twelve weeks.

Note: The NRT benefit can only be redeemed for clients concurrently enrolled in a tobacco dependence treatment class offered by a county, grassroots, or tribal project, and/or the Quitline. Clients may utilize the NRT benefit (up to twelve (12) weeks total) only once per six (6) month period. The product will be mailed to the client's home.

- D. **Establish technical assistance protocol:** Designate the process in which technical assistance is made available to answer calls and/or respond to emails during workday business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m. Arizona time) from ADHS-TEPP administrative staff, ADHS-TEPP affiliated contractors, and certified facilitators (those qualified to issue NRT) regarding questions related to process, verification, and/or billing procedures. The organization is expected to prepare a monthly log that documents problematic encounters, both calls and emails. The log will include basic descriptive information such as: date, name of complainant, type of issue, and resolution.

The Contractor shall identify a Program Manager to be the primary contact person for the ADHS-TEPP Contract Administrator for coordination/collaboration purposes. The Program Manager shall, at a minimum:

1. Serve as a primary day-to-day contact with the Agency;
 2. Attend, lead, and prepare materials for meetings as requested;
 3. Ensure all necessary operational components are completed prior to implementation;
 4. Troubleshoot and correct problems after implementation;
 5. Designate an alternate contact when the Project Manager is unavailable;
 6. Assure that the Contractor, as well as any subcontractors, fulfills its duties and responsibilities under the Contract; and delivers required documents to ADHS-TEPP as requested.
- E. **Ensure client confidentiality:** Maintaining high standards of client confidentiality is extremely important to ADHS-TEPP. Upon award of the contract, the Contractor shall establish electronic communications with ADHS-TEPP and the ADHS-TEPP funded Evaluation Contractor. All data transferred between these parties must be secure and client confidentiality maintained. Any electronic communications shall meet with statewide guidelines of the State of Arizona Government Information Technology Agency. The use of client information for commercial purposes is strictly prohibited.
- F. **Coordinate the product delivery process:** The Contractor shall establish the parameters of its mail delivery system by identifying the preferred mail carrier, product tracking protocol, turn-around time, and return policy.

IV. Data and Evaluation Coordination Requirements:

- A. Sufficient data is required to fulfill ADHS-TEPP monthly statistical requirements for program tracking/trending purposes. The organization must maintain adequate records to track and reconcile information related to product inventory, request turn-around timelines, shipment to appropriate locations, and all other aspects of program operation on a monthly basis. The organization is expected to coordinate with the ADHS-TEPP Evaluation Contractor in order to fulfill data collection requirements.
- B. The organization's reports are expected in both a paper and electronic format and must describe program activity, complete with the following information: product name, prescription number (if applicable), quantity, price, date ordered, date distributed, and client name/identifier.

V. Deliverables:

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All deliverables will require review and approval by the Department of Health Services.

The NRT distribution system will provide the following deliverables:

- a. Develop a verification and identification system that:
 - i. Ensures product delivery upon receipt of an authorized ADHS-TEPP request to the appropriate individual; and
 - ii. Maintains a list of authorized purchasers to ensure that only ADHS-TEPP approved facilitators are requesting the NRT product benefit for their clients.
- b. Implement and maintain a data system that is capable of receiving and managing ADHS-TEPP cessation client information. The system will be used monthly for reporting and billing purposes. The organization will be expected to provide a complete data file of all transactions on a monthly basis.
- c. Provide monthly and/or electronic reports to ADHS-TEPP that contains detailed information on the NRT pharmacy distribution system, the NRT products distributed, and the clients receiving these products. The organization must also provide a complete data file of all transactions on a monthly basis.
- d. The organization's data must capture sufficient information in order for ADHS-TEPP to provide reimbursement for services rendered. Invoices must include all fees and costs incurred on a monthly basis.

VI. Notices, Approvals, Correspondence, Reports and Invoices:

- A. All notices, approvals, correspondence, reports and invoices from the Contractor to ADHS shall be sent to:

ADHS-TEPP
Jami Snyder: Office Chief
1740 West Adams, Suite 203
Phoenix, AZ 85007

- B. All notices, correspondence, and reports from ADHS to Contractor should be sent to:

Contact: _____

Company Name: _____

Company Address: _____

- C. Payments from ADHS to the Contractor shall be sent to:

Contact: _____

Company Name: _____

Company Address: _____

Sources:

(n1): 2004 Surgeon General's Report: The Health Consequences of Smoking.

(n2): Centers for Disease Control and Prevention. 2004 Smoking Attributable Costs.

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(n3): United States Department of Health and Human Services: Office of Applied Statistics. National Survey of Drug Use and Health: National and State Data on Substance Abuse Treatment Admissions on Alcohol, Tobacco, and Illicit Drug Use.

<http://www.drugabusestatistics.samhsa.gov/NSDUH/2k5NSDUH/2k5results.htm#Ch4>.

(n4): Arizona Department of Health Services. 2005 Adult Tobacco Report.

<http://www.azdhs.gov/phs/tepp/reports.htm>

(n5): Clinical Practice Guideline: Treating Tobacco Use and Dependence (Fiore et al., 2000).

PRICE SHEET
SOLICITATION NUMBER: HP854041

Instructions:

Please provide an approximate annual distribution cost based on the utilization rates of the following products (listed below).

A.

Product	Unit	Unit Price	Extended Price*
Nicotine Patch Seven (7) mg	Two (2) week supply		
Nicotine Patch Fourteen (14) mg	Two (2) week supply		
Nicotine Patch Twenty-one (21) mg	Two (2) week supply		
Gum Two (2) mg	Two (2) week supply		
Gum Four (4) mg	Two (2) week supply		
Lozenge Two (2) mg	Two (2) week supply		
Lozenge Four (4) mg	Two (2) week supply		
Bupropion 150 mg	Two (2) week supply		
Varenicline .5 mg and 1.0 mg	Four (4) Week Supply^		

* **Note:** Extended Price includes shipping charges.

^**Note:** Varenicline packaging limitations suggest the product can only be provided in four (4) week increments.

B. **% off catalog Price** _____ **%**. **The catalog this is based off of is** _____ **and**
is either included with this proposal or can be found online at _____.

Authorization for Provision of Services: Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount of the Purchase Order. No further obligation shall exist on behalf

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of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this contract.

Please check as many as applicable:

____ I certify that my company is a Woman-Owned Business Enterprise (WBE).

A WBE is defined as an enterprise where a woman owns at least 51% of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____ I certify that my company is a Minority-Owned Business Enterprise (MBE).

An MBE is defined as an enterprise where an ethnic minority owns at least 51% of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

____ I certify that my company is a Small Business.

A Small Business is defined as a company having fewer than one hundred (100) employees or less than four million dollars (\$4,000,000) in gross receipts.

ATTACHMENT I

RFP NO. HP854041

OFFEROR'S EXPERIENCE

Offerors shall submit three (3) completed and signed forms as part of their Proposal.

Offerors shall provide ADHS-TEPP with at least three (3) references of similar or related projects that have been responsible for during the past three (3) years, with appropriate contact information, i.e. contact name, telephone number, address, and e-mail address that can describe and evaluate the performance of the Offeror's work on the project(s).

Reference Contract Title: _____

Contract Term / Dates of Work _____ through _____ Geographic Area Served: _____

Target Population Served: _____

Narrative (Shall include the results (outcomes achieved, objectives met) of past experiences of each contract and the NUMBER of past contracts the Offeror has had with experience similar to those required in this RFP):

Reference Company: _____

Contact Name and Title: _____

Telephone: _____ Address: _____ City/State/Zip: _____

ATTACHMENT II
SOLICITATION NUMBER: HP854041

Instructions: Offerors must submit the items listed below. In the column titled "Offeror's Page #", the Offeror must enter the appropriate page number(s) from its Proposal where ADHS Evaluators may find the Offeror's response to that requirement. Items should be submitted in the order indicated on page 9, Section II.

Required Item	RFP Reference:	Offeror's Proposal Page #:
1. 1 Original and 3 Copies of Application Package	Page 9, Paragraph II	
2. Signed Offer and Acceptance Form	Page 3	
3. Scope of Work	Pages 29-32, Paragraph VI	
4. Executive Summary	Page 9, Paragraph IV.A	
5. Overview of the Organization	Pages 9-10, Paragraph III.B.	
6. Comprehensive Plan	Pages 10-11, Paragraph III.C.	
7. Attachment I, References	Page 36	
8. Completed Notices section	Page 32, Paragraph VI.	
9. Price Sheet	Pages 34-35	
10. Other Attachments	As needed, to be determined by Offeror	
11. Attachment II – Offeror's Checklist	Page 37	
12. Uniform Terms and Conditions – included in Original only	Pages 15-22	
13. Special Terms and Conditions – included in Original only	Pages 23-28	



CERTIFICATE OF INSURANCE

SAMPLE

**ARIZONA DEPARTMENT OF
HEALTH SERVICES**
1740 West Adams Street, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 -FAX

Contract No: HP854041

PRIOR TO COMMENCING SERVICES UNDER THIS CONTRACT, THE CONTRACTOR MUST FURNISH THE DEPARTMENT, CERTIFICATION FROM INSURER(S) FOR COVERAGES IN THE MINIMUM AMOUNTS AS STATED BELOW, THE COVERAGES SHALL BE MAINTAINED IN FULL FORCE AND EFFECT DURING THE TERM OF THIS CONTRACT, AND SHALL NOT SERVE TO LIMIT ANY LIABILITIES OR ANY OTHER CONTRACTOR OBLIGATIONS

NAME AND ADDRESS OF INSURANCE AGENCY	COMPANY LETTER	COMPANIES AFFORDING COVERAGE
NAME AND ADDRESS OF INSURED	A	
	B	
	C	
	D	

This is to certify that the policies of insurance listed below have been issued to the insured named above and are in force at this time

COMPAN Y LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	LIMITS OF LIABILITY MINIMUM - EACH OCCURRENCE	
	<input checked="" type="checkbox"/> COMPREHENSIVE GENERAL LIABILITY FORM			BODILY INJURY	
	<input type="checkbox"/> PREMISES OPERATION			Per Person	\$1,000,000
	<input type="checkbox"/> CONTRACTUAL			Each Occurrence	\$2,000,000
	<input type="checkbox"/> INDEPENDENT CONTRACTOR			PROPERTY DAMAGE	\$1,000,000
	<input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS HAZARD			OR	
	<input type="checkbox"/> PERSONAL INJURY			BODILY INJURY	
	<input type="checkbox"/> BROAD FORM PROPERTY DAMAGE			AND	\$1,000,000
	<input type="checkbox"/> EXPLOSION & COLLAPSE (IF APPLICABLE)			PROPERTY DAMAGE	
	<input type="checkbox"/> UNDERGROUND HAZARD (IF APPLICABLE)			COMBINED	
	<input checked="" type="checkbox"/> COMPREHENSIVE AUTO LIABILITY, INCLUDING NON-OWNED (IF APPLICABLE)			SAME AS ABOVE	
	<input type="checkbox"/> UMBRELLA LIALITY			NECESSARY IF UNDERLYING NOT ABOVE MINIMUM	
	<input checked="" type="checkbox"/> WORKMEN'S COMPENSATION AND EMPLOYER'S LIABILITY			STATUTORY EACH ACCIDENT	\$500,000
	<input type="checkbox"/> OTHER				

State of Arizona and the Department named above are added as additional insured as required by statue, contract, purchase order or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the State without thirty (30) days written notice to the State. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE INSURANCE COMPANY.

NAME AND ADDRESS OF CERTIFICATE HOLDER

DATE ISSUED _____

AUTHORIZED REPRESNETATIVE